

Administration of Barack H. Obama, 2009

The President's News Conference With Chancellor Angela Merkel of Germany in Baden-Baden, Germany

April 3, 2009

Chancellor Merkel. Well, ladies and gentlemen, I would like to bid a very warm welcome to the President of the United States of America, Barack Obama. We already actually did it in front of the building. This time I welcome him to the south of Germany on the occasion of the 60th anniversary of NATO. And this is actually the first time that you visited the United States—oh, sorry, I mean, the Federal Republic of Germany. And we're very pleased, very pleased indeed, to be able to meet on this anniversary of NATO and to find a new format for this alliance.

In our talks we were saying again that we have long traditional ties of friendship that join our two countries. I'm certainly sure that we will be able to continue that over the next few years to come. We have actually talked about the whole broad area of complex issues that we need to contend with. We looked back on London, which we considered, both, to be a very successful meeting. The world has shown that it is willing to cooperate. Last but not least, it was also a successful meeting because, clearly, the United States has shown that they are willing to cooperate, too, to show that spirit of cooperation.

I think that this is a common task, indeed, for us to shape also this alliance in this cooperative spirit, because this is a—this transatlantic relationship is also one that helps us to overcome the current financial and economic crisis.

The Federal Republic of Germany wants to give its contribution to overcoming international problems. We were dealing today with relations between Russia and the United States, how we can shape this future relationship between Europe and Russia and the United States. We will have the upcoming summit in Prague between the European Union and the United States.

We will also, we think, on the bilateral scene, be able to lend a contribution to solving the problems of Afghanistan. This is a big, a huge responsibility for all of us. We want to bear our burden of responsibility. We want to do something in order to train the Afghan National Forces, but also the police in Afghanistan.

We want to shape relations with Iran in such a way that a nuclear rearmament of Iran is simply made not possible, but that at the same time, we make it possible for the Iranian people to have a hopeful and prosperous future. We are very gratified to know that the United States wants to have a fresh beginning, a fresh start, in this relationship.

We also talked about the Middle East, where the peace process will have to be pursued in the sense and in the direction of a two-state solution. I think there is indeed a broad array of issues that we need to contend with. The Federal Republic of Germany stands ready to give its contribution towards solving them.

And we would like to bid you a very warm welcome, indeed. I think you've seen that the press was actually showing a great deal of welcome to you, and you saw the people along the way who were waiting for you for many hours with their little flags waving. And we're pleased to have you. Welcome. We hope to welcome you again soon.

President Obama. Thank you so much. It is wonderful to be here in Germany. And I want to thank Chancellor Merkel for her leadership, her friendship, and to say to all the German people that we are grateful to have such an extraordinary ally. And I think I speak on behalf of the American people that we consider the relationship between the United States and Germany to be one of our most important relationships. And I have been spending quite a bit of time lately with Chancellor Merkel and continue to be impressed with her wisdom and leadership and diligence in pursuing the interests of her people.

Over the last several days, what we've been grappling with is an economic crisis that is unlike anything we've seen since the thirties. And just a stark reminder for those of us in the United States: Our jobs report came out today, and it showed that we had lost 663,000 jobs just this month, which has pushed our unemployment rate to 8.5 percent, the highest in 25 years. And we've lost 5.1 million jobs since this financial crisis and recession began.

So obviously, this is hitting the United States hard. But I think what we discussed and the reason we acted swiftly and boldly in London is the fact that none of us can isolate ourselves from a global market; that the economies now are so interdependent, capital flows across borders occur in the blink of an eye, and as a consequence, if we do not have concerted action, then we will have collective failure.

I'm very proud of the work that was done in London. I think the fact that we have a regulatory framework that can prevent this crisis from happening again, the fact that we have taken, collectively, steps to not only encourage growth but also to make sure that we're helping emerging markets and poor countries deal with the consequences of this financial crisis, none of those things alone guarantee immediate recovery, but they are necessary foundations for recovery.

And because we committed to meeting again in the fall, it allows us to review what we've done. And if what we've done is not sufficient and we continue to see a deterioration in the situation, then we're going to go back at it and keep on doing so until we get it right.

As Chancellor Merkel mentioned, the economy is just one of our challenges. And as we celebrate this important landmark for NATO, we are reminded that not only do we have immediate joint efforts in Afghanistan that have to be bolstered and have to become more effective, but we also have to have a strategic framework for how NATO moves forward.

This has been the most successful alliance in modern history, an alliance that was so effective that we never had to fight. And that kind of vision that was implemented, that kind of imagination has to be adapted to the 21st century challenges that we face; not just Afghanistan, but there are a whole host of other hot spots and challenges, and we've got to figure out what is NATO's role in that, what is the partnership between the United States and the European Union's role in that, whether it's an issue of climate change or poverty or trying to bring about peace in regions that have known conflict for a very long time. In all of these areas cooperation is going to be critical and leadership from our two countries is going to be critical.

So I'm very pleased to have a partner in Chancellor Merkel in these efforts, and I am confident that, moving forward, that we are going to be able to make slow and steady progress to advance the cause of peace and prosperity.

With that, why don't we take some questions?

Chancellor Merkel. Well, maybe we ought to start with the German side. Mr.—
[inaudible]—please.

North Atlantic Treaty Organization/Military Operations in Afghanistan

Q. [Inaudible]—Zweites Deutsches Fernsehen. Mr. President, first of all, once again a warm welcome to Germany. You've had a very enthusiastic reception here in the streets of Baden-Baden by the people, but there is also fear and anxiety in Germany about what the future might bring. Your administration is calling for a fundamental reform of NATO, or perhaps in your words, change. What, Mr. President, is your personal grand design for the new NATO? Will it be the policeman of the world, the global one? Should Germany shoulder more responsibility, especially in Afghanistan?

One question for the Chancellor. Madam Chancellor, where do you see the limits of NATO, and where do you see the limits of German engagement in the world?

President Obama. I don't come bearing grand designs. I'm here to listen, to share ideas, and to jointly, as one of many NATO allies, to help shape our vision for the future.

If NATO becomes everything, then it's nothing. So obviously, we're going to have to define and clarify its roles, responsibilities for the 21st century. And what we should expect is that we will set up a process in order to do that. I don't think Germany should feel anxious about that. I think that the United States and Germany and all the other NATO countries should see this as an opportunity to put together an architecture that is as successful at meeting our new challenges as the prior architecture was at meeting the challenges of the cold war.

And obviously, we already have one test case, and that is in Afghanistan. It is as complex a problem as we're going to see, partly because it's not just a problem of Afghanistan, but it's also a problem that exists in Pakistan. We've put forward a new comprehensive review of how we think we should approach this that recognizes the military alone cannot solve these problems, that we have to have a significant military force, but that it has to be combined with a diplomatic effort and development effort that can stabilize the region, and it has to be focused on the true problem, which is violent extremists that can project attacks not just against the United States but also against Europe and worldwide.

I think that the strategy we put forward can, and will, be successful, but we've got to be disciplined, we've got to be coordinated, and we've got to execute. And Germany—I am—thanked Chancellor Merkel for the extraordinary efforts that have already been made by the German people both in terms of resources and troops. We do expect that all NATO partners are going to contribute to these efforts. They have thus far—the progress in some cases has been uneven, but I think that's not just a problem of lack of resources; it's also a problem of a strategy that was allowed to drift.

And so what we're going to do is refocus the strategy and then make sure that the resources are there to do it. And I'm confident that Germany, as one of the most important leaders in Europe, will be stepping up to the plate and working alongside us to get the job done.

Chancellor Merkel. Well, what is indeed gratifying to note is that the new approach of the new administration of the United States as regards Afghanistan is very much in step with what Germany is envisaging, this sort of "networked security," as we call it, or an integrated security where you have a civilian component of rebuilding, training, and last but not least, obviously, also the capacity of the Afghans to really defend themselves. That is, after all, what we were after with our mission to Afghanistan.

And now that brings me to NATO, protecting NATO member states from being attacked by other countries or by attacks coming and emanating from other country. Afghanistan as a failed state was a safe haven for terrorist groups, for Al Qaida, that actually allowed attacks against our alliance. And that is what we wanted to prevent with this mission in the first place for the future.

And we now come back to NATO. Article 5 is at the core of what NATO is all about—the NATO member states showing solidarity with each other, being all of them committed to securing not only their own security and safety, but also that of their allies. And coming from that, we now have new tasks in this world of today. We are growing. We are rising to that challenge. We need to rise also to the challenge that Afghanistan presents, and we have to succeed there. It will be a test case for the alliance.

We can see that in the southern Balkans. We have been quite successful. NATO has been successful as an alliance. If we look back over only a few years of time, we have made progress there, but it was always combined with a political process. And that is why I can't say that's where NATO stops, so these are the borders of NATO, because if there is an attack against a member country, we will have to be, all of us, called upon to show solidarity and to defend the other countries. So that we cannot say we won't do this or we won't do that. This is what we have set up to do and what we are ready to do.

President Obama. Jon Ward [Washington Times].

Global Economy/Trade

Q. Thank you, Mr. President. I'm going to read my question; I hope that's not too much of a breach in protocol here. I have a question about surplus and deficit countries and trade imbalances. Mr. President, you said in London that the world may not be able to rely any longer on the U.S. as a "voracious consumer market." Did you talk with Chancellor Merkel about Germany's enormous trade surplus and its impact on the global economy going forward?

And, Madam Chancellor, some say that Wall Street—Wall Street's excess was fueled by easy money, supplied from surplus countries such as yourself, and another large bubble and bust is inevitable if Germany and China and others do not move closer to balance. What is your response to that?

President Obama. Well, Jon, I do think that even as we are trying to solve the immediate crisis we've got to learn some lessons from the previous years to figure out how do we avoid another crisis. And if you look at the U.S. economy, what we've seen is a series of bubbles and then busts, much of it having to do with huge flows of capital into speculative sectors of the economy.

Part of the problem that we saw was a lack of regulatory oversight, and so we're moving very aggressively on that front. And in the short term, my biggest concern is how do I just make sure that people get back to work? So our stimulus package, our efforts to stabilize the housing market, our efforts to remove the toxic assets from the banks so that banks start lending more effectively and businesses can open, people can get hired again, all that is focused on my top priority right now, which is making sure that we're no longer hemorrhaging jobs and we start creating jobs.

As we emerge from the crisis, though, we're going to have to take a look at how do we ensure—a term that Chancellor Merkel spoke quite a bit about at the summit, and that is sustainable economic growth. And in order for growth to be sustainable, it can't be based on

speculation. It can't be based on overheated financial markets or overheated housing markets or U.S. consumers maxing out on their credit cards or us sustaining nonstop deficit spending as far as the eye can see. So once we've stabilize the economy, we're going to have to start bringing these huge deficits that our government is running, we're going to have to start bringing those down.

Families are going to have to start making more prudent decisions about spending and increasing their savings rate. Businesses are going to be making investments, and we want to spur as much investment as possible, but the whole point is to move from a borrow-and-spend economy to a save-and-invest economy.

Now, the U.S. will remain the largest consumer market, and we are going to make sure that it's open. One of the principles that we very clearly affirmed in London was that protectionism is not the answer. It's not the Germans' fault that they make good products that the United States wants to buy. And we want to make sure that we're making good products that Germans want to buy. But if you look overall, there's probably going to need to be a rebalancing of who's spending, who's saving, what are the overall trade patterns.

And it, by the way, it doesn't just include developed economies like Germany and the United States; it also means we want to encourage emerging markets to consume more. If you start seeing China and India improve the living standards of its people, now those are huge markets where we can sell. And that's why the last few days that I've spent talking about the international economy relates directly to the jobs that are being lost in the United States.

I know this was a long answer, but it was a big question. The bottom line is that as long as the United States and Germany are keeping our open trading relationship, as long as our approach to currency is one that ensures fairness—which generally speaking, the relationship between the United States and European central banks has been very cooperative and very solid—as long as we have proper rules of the road and regulatory frameworks in place, then the key is to have friendly economic competition, the United States making the best products, making the best decisions, making the best investments, and Germany doing the same, and then all of us can do well together.

Chancellor Merkel. Well, we love competition. We love competition for the best possible products. And I don't think we're in such a bad position. And that is what drives us; that is what drives markets, economies to have good ideas, bright ideas that turn into good products that you can actually sell.

What we—what all of this is about, we need to combat this crisis. We need to fight it resolutely. And I think we've done something very good in London. We tried to lend a helping hand to those who are not strong enough to, out of their own resources, combat this crisis. And that we can do this, that we still have a certain leeway to do that, shows how strong our countries really are.

But we have to do whatever we can in order to prevent such a crisis from ever occurring again. And this is what I mean very seriously. I mean, this was a great disturbance. Ever since the thirties—we haven't said this without purpose—such a crisis hasn't occurred.

So we have to take a very clear look at whether the economy is actually driving our politics and politicians, or do politicians still have the power to shape global economics. And I think we have to regain the ground that we have lost. That was a very important step to prove this to our people. And this is something that we cannot do nationally; we can only do this together and in concert.

If you look at the Federal Republic of Germany, for example, we will have a tremendous demographic change, this is a superannuated society, people getting older. So can we actually afford to incur so much debt? Do we have in a few years time, really, the power to innovate? We are paying an enormous amount of interest on each and every cent that we spend, and at some point in time, if the burden of debt becomes too big, then we lose innovative power.

And standards, for example, that too is important for us. Is it really so—that is really necessary, not losing sight of the future and innovation and research and development.

But we have to emerge from this crisis as quickly as possible, which is why we actually pursued this on two parallel tracks in London. And we have every interest in not only seeing our own country get back on its feet again, the United States getting back on its feet again, but the whole of the world—emerging countries, Africa, Latin American countries. And this is why we will offer to them our help so that this happens time and again.

We're grateful for the fact that each and every one around the table assured us that we will not resort to protectionist measures. That is something that we were at one about. And this only will make it possible, incidentally, to emerge from this crisis. The fact that this wasn't done in the thirties was one of the big mistakes that was made then, and that we don't want to repeat.

Mr. Busse, please.

North Atlantic Treaty Organization/NATO's Role in Pakistan

Q. Nikolas Busse from the *Frankfurter Allgemeine Zeitung* newspaper. Madam Chancellor, tonight one of the issues on the agenda will be who is going to be the next NATO Secretary General. Now, after all the discussions, this debate raging around the Danish Prime Minister, and with the background that you want to decide this question tonight, will he not be in a way damaged as a candidate? How do you see this whole discussion, and how do you want to contend with its fallout?

Mr. President, one of the point—[inaudible]—the strategy in Afghanistan now is—and you put a lot of emphasis on this all the time—is to focus more on Pakistan. What does this mean in concrete terms for the Europeans and NATO? Do you see that there might be a military role for NATO in that, or what do you want the Europeans to do in Pakistan?

Chancellor Merkel. I am firmly convinced that we ought to be able tonight to appoint a new candidate for Secretary General, and our colleague, the Danish Prime Minister, in my mind, as I've said repeatedly in the past, would be an ideal and excellent candidate. We will try everything we can in order to persuade other partners that this is indeed the case. I don't think he's been damaged. I mean, NATO Secretary Generals are being appointed with unanimity among NATO members and somebody who reaps unanimous support. Really, in a democracy, that's the best thing you can get. I mean, when he becomes Secretary General, he will be a strong one. But that's something we need to discuss, and we need to leave, actually, in order to be able to make that possible.

President Obama. I think that was an indication that my answers have been too long.
[Laughter]

Chancellor Merkel. No. [Laughter]

President Obama. So I'll make this one quick. No, my focus on Pakistan does not envision NATO troops activities in Pakistan. It does mean that U.S. and NATO partners have to work

more effectively with Pakistan to enable them to root out the safe havens for extremists that pose not just a danger to us, but now pose an extraordinary danger to Pakistan.

That is going to be a very complex task. It's going to have a lot of facets to it. The more diplomatic resources that we bring to that, the more countries can assist Pakistan in its development efforts, the more effectively we can provide training for a different type of conflict than the one that Pakistan has traditionally prepared for, those are all areas where I think NATO can work together very effectively. And we need to—we can't, ultimately, I believe, be effective in Afghanistan if we have not addressed the problems across the border.

Last question. Hans Nichols [Bloomberg News].

Germany's Role in Afghanistan

Q. Thank you, Mr. President. Earlier, a couple of hours ago, on the French side, you said that with France, you never had to drag them kicking and screaming in Afghanistan. I'm just curious if you have a similar problem with Germany under Chancellor Merkel, or you're sensing that Germany is more willing and more likely to contribute, or just as likely as France.

President Obama. Germany has been a stalwart NATO ally from the start of this conflict and has contributed troops, has contributed resources, and will continue to contribute troops and resources. You just heard Chancellor Merkel emphasize that at its core, what has made NATO so effective is the Article 5 principle that if one ally is attacked, then all allies come together to deal with the problem. That's been the unchanging element of NATO and, by the way, an element that I don't envision changing as a consequence of the strategic review that may take place. That's the essence of a successful alliance.

And so what I've said to Chancellor Merkel is the same thing I said to President Sarkozy and the same thing I'll say to all the NATO heads of state this evening, and that is that we have lost our focus in Afghanistan; now we have refocused. We have a strategy that, I think there's a broad consensus, brings all elements of our power to bear, and will allow us to succeed.

We will now all have to make additional efforts and sustained efforts in order to succeed, with the understanding that our ultimate goal is not to occupy Afghanistan and not to run Afghanistan, but rather to provide the Afghan Government the capacity to provide for its own security and ensure that it is not once again a safe haven for terrorists.

It will not be an easy task. And one of the changes in our approach is that we are going to insist on a consistent review of the progress that we're making. And if we discover that the approach we're taking is not effective and is not working, then we will change it.

And the one thing that I would say to the German people is the same thing that I would—I've said to the American people, which is, I understand that after a long campaign in Afghanistan, people can feel weary of war, even a war that is just. Nothing is harder than sending young men and women into harm's way. And nothing is more sobering as a leader than signing a letter of condolence to a family of somebody who has died in war. And so I understand why both Americans and Germans would be feeling a sense, particularly in the midst of economic crisis, of why are we still there. But I believe strongly, and I think that our NATO allies believe strongly, that we cannot allow a territory in which people who would kill our citizens with impunity can allow—can be permitted to operate.

So we've got a difficult job to do, but I am absolutely convinced that we can carry it out. And Germany is going to be a strong partner with the United States and other NATO allies in getting the job done.

All right? Thank you, everybody.

Chancellor Merkel. Dankeschon. Wir sehen uns weider.

Interpreter. Thank you and see you later.

President Obama. Dankeschon. My German is not as good as Chancellor Merkel's.
[Laughter]

Chancellor Merkel. What a surprise, Mr. President. My English also not——

President Obama. No, your English is great.

Chancellor Merkel. ——as yours. [Laughter]

President Obama. Thank you.

NOTE: The President's news conference began at 5:30 p.m. at the Rathaus. In his remarks, the President referred to President Nicolas Sarkozy of France. Chancellor Merkel referred to Prime Minister Anders Fogh Rasmussen of Denmark, Secretary General-designate of the North Atlantic Treaty Organization. Chancellor Merkel and some reporters spoke in German, and their remarks were translated by an interpreter.

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